



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT



ARNOLD
SCHWARZENEGGER
GOVERNOR

For Meeting Date: July 9, 2009

Agenda Item No. 5: Acceptance of a Petition for Re-Classification of Mineral Resource Zone (MRZ) Lands to MRZ-2a, Wilson Ranch-Walltown Quarry Project, Sacramento County.

INTRODUCTION: In accordance with the “*Guidelines for Classification and Designation of Mineral Lands*”, the State Geologist reviews mineral land classification petitions. Should certain criteria be met, the State Geologist may recommend acceptance of the petition by the SMGB. On behalf of Angelo and Katherine Tsakopoulos, the State Mining and Geology Board (SMGB) received a petition for mineral lands classification from Mr. Kerry Shapiro, legal counsel with Jeffer, Mangels, Butler, & Marmaro, LLP, dated May 13, 2009, for mineral land classification of the proposed Wilson Ranch-Walltown Quarry Project, located in the County of Sacramento. The SMGB is considering accepting the petition for the re-classification of mineral resource land for this project.

REGULATORY ASPECTS: Pursuant to PRC 2761(b), “*the State Geologist shall classify, solely on geologic factors, and without regard to existing land use and land ownership... any area for which classification has been requested by a petition which has been accepted by the board...*” Pursuant to PRC 2761(b)(3), “*The State Geologist shall require the petitioner to pay the reasonable costs of classifying an area for which classification has been requested by the petitioner...*”

Prior to acceptance of a petition by the SMGB, and in accordance with the “*Guidelines for Classification and Designation of Mineral Lands*” (Section III, Guidelines for Classification of Mineral Lands (1)(A)(1), “*Petitions will be preliminarily reviewed by the State Geologist to determine if the deposit meets the threshold value and other criteria required to qualify as MRZ-2a or MRZ-2b as in Section I.2. If these criteria are met, the State Geologist will recommend acceptance of the petition by the SMGB.*”

BACKGROUND: On behalf of Angelo and Katherine Tsakopoulos, the State Mining and Geology Board (SMGB) received a petition for mineral lands classification from Mr. Kerry Shapiro, legal counsel with Jeffer, Mangels, Butler, & Marmaro, LLP, dated May 13, 2009, for mineral land classification of the proposed Wilson Ranch-Walltown Quarry Project, located in the County of Sacramento. The site consisted of about 1,360 acres located approximately 6 miles south-southeast of the City of Folsom in eastern Sacramento County. The property is currently classified as a Mineral Resource Zone 3 (MRZ-3) for portland cement concrete (PCC)-grade aggregate per California Geological Survey’s (CGS) *Open-*



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File Report 99-09 (Dupras, 1999). The petitioner has requested that the State Geologist reclassify the property as MRZ-2 for PCC-grade aggregate.

The petition application was reviewed by the CGS Minerals Resources Unit using the revised criteria for consideration of petitions, which were adopted by the SMGB in May 1994. The following determinations were made:

- 1) Based on test information provided by the petitioner, it is likely that much of the material on the property meets quality specifications for PCC aggregate.
- 2) Preliminary calculations based on information provided by the petitioner indicate that the property contains PCC-grade aggregate resources in excess of the threshold value of \$17,157,910 (2008 dollars) required for classification as MRZ-2.

Located about 6 miles south – southeast of the City of Folsom, commercial/residential development is slowly encroaching on the proposed quarry site from the north-northeast direction. This urban encroachment constitutes a potential threat to the intended mining of the mineral resources on the property.

Based on this preliminary review, the State Geologist has recommended acceptance of the petition by the SMGB. This preliminary assessment was based on a review of materials provided by the petitioner. The estimated cost of the preliminary assessment is \$900. It is estimated that the cost to conduct the classification study for the petition is \$13,275. The petitioner has submitted a check for \$5,000 to cover the cost of the preliminary evaluation. Should the SMGB accept this petition, the petitioner will be required to submit an additional \$9,175 to cover the cost of performing the classification study. After completion of the classification project, unused funds will be returned to the petitioner.

EXECUTIVE OFFICER'S RECOMMENDATION: Based on the information presented by the Petitioner, and the results of the preliminary review and recommendation provided by the State Geologist, the Executive Officer recommends that the SMGB accept the petition for mineral lands classification.



SUGGESTED MOTION LANGUAGE:

To Accept the Petition for Mineral Lands Classification:

Mr. Chairman, in light of the information before the State Mining and Geology Board today, I move that the Board accept the petition for classification of mineral lands for the Wilson Ranch-Walltown Quarry Project, located in the City of Folsom, Sacramento County.

Respectfully submitted:

Stephen M. Testa
Executive Officer

